



Tax Abatement Policy

Effective Date: February 15, 2022

Policy Statement

The Village of Blissfield is committed to enhancing the quality of life and stimulating the local economy through the attraction of high-quality development, the retention and creation of high-quality jobs, and the development of additional housing opportunities within the Village. Accordingly, consideration for tax abatement is viewed as a privilege, not as a property right. This policy establishes minimum requirements and a uniform set of standards and procedures to be used when considering a request for a tax abatement/exemption

Minimum Requirements for Tax Abatement

- Abatements shall be subject to duration and amount limits.
- Such duration and amount limits shall be for the minimum amount necessary to meet the goals of the project.
- Benefits to the Village of the proposed abatement shall be:
 - At least equal to or greater than the cost of the abatement.
 - In the public interest because it will accomplish at least one of the following purposes:
 - Increase or preserve the tax base.
 - Provide employment opportunities.
 - Expand housing opportunities within the Village.
 - Provide or help acquire or construct public facilities.
 - Help redevelop or renew blighted areas.
 - Help provide access to services to residents.
 - Finance or provide public infrastructure.
- The Village of Blissfield will not support tax abatements for proposals that are not economically feasible. The method of analysis for this requirement will be a thorough review of project proformas and/or financials.
- All projects seeking tax abatement shall include job creation/retention or an expansion of housing opportunities within the Village.
- The taxable value of the proposed abatement – considered together with the aggregate taxable value of property exempt under certificates previously granted and in force shall not exceed five (5) percent of taxable value of the Village of Blissfield. Example: 2021 Village of Blissfield taxable value = \$88,759,587 5% of Village of Blissfield taxable value = \$4,437,979 Per MCL 125.2788(1): If the taxable value of the property proposed to be exempt pursuant to an application under consideration, considered together with the aggregate taxable value of property exempt under certificates previously granted and currently in force ...exceeds 5% of the taxable value of the qualified local governmental unit, the legislative body of the qualified local governmental unit shall make a separate finding and shall include a statement in its resolution approving the

application that exceeding that amount shall not have the effect of substantially impeding the operation of the qualified local governmental unit or impairing the financial soundness of an affected taxing unit.

- The Village will not issue or be a signatory on bonds in connection with abatements.
- Commencement of any new construction or improvements shall be within the limits set forth within the applicable public act for the abatement being sought.
- The Village Council will not act on any abatement unless the application presents the project at the public hearing and is available to answer questions.
- The Village of Blissfield reserve the right to waive, modify or amend any of these policies when it is in the best interest of the Village of Blissfield.

Evaluation Criteria

Private Development Objectives

The Village of Blissfield will consider using tax abatements to help private development projects that strive to achieve one or more of the following objectives:

- To retain local jobs and/or increase the number and diversity of high-quality jobs that offer attractive wages and benefits.
- To encourage additional unsubsidized private development in the Village of Blissfield – either directly or indirectly through spinoff development without the use of tax abatement.
- To expand the availability of housing opportunities within the Village limits.
- To facilitate the development process and to achieve development of sites that would not be developed without tax abatement assistance.
- To remove blight and/or encourage redevelopment of commercial and industrial areas that result in high quality redevelopment (i.e., contaminated site cleanup) beyond the costs normally incurred in development.
- To provide infrastructure necessary to accommodate economic development.
- To meet other public policy goals as adopted by the Village of Blissfield – including but not limited to the Village’s Comprehensive Plan.

Additional Objectives

The Village of Blissfield will also consider the following factors when evaluating tax abatement requests to help private development projects:

- To support local businesses, extra consideration will be given to existing businesses seeking to expand and grow within the Village.
- The extent to which the proposed project creates high quality jobs in the Village –paying wages equal to or greater than the average local wage of the same class.
- The extent to which the proposed project adds to the net commercial, industrial, or general tax base of the Village and optimizes the private development of the proposed site.
- Whether or not the proposed project provides services not already provided in the Village or services which are needed.
- Whether or not the proposed business would be in direct competition with existing businesses in the Village. Abatements should not be given to businesses which would receive a competitive advantage over existing businesses in the Village.
- Whether or not the project will significantly impact environmental/natural resources.
- The extent to which other political subdivisions are in support of the project.
- The extent to which the project represents additional tax revenue for the Village.

- The extent to which the project requires improvements in village infrastructure, road construction, or other traffic problems. Also, to be considered is the impact of the proposal on other village services such as law enforcement, parks, and historic preservation.
- Consistency of the proposed project with the Village land use regulations and planning and zoning policies.
- How the proposed project furthers the goals and objectives of the Village and/or community.
- The level of private financial investment into the project.
- The extent to which the project utilizes local vendors/products in construction and/or operation upon completion.

Application

The applicant shall apply for all projects for which a tax abatement is sought from the Village of Blissfield. Applications shall include:

- A letter formally requesting tax abatement from the Village of Blissfield.
 - For some abatements, this letter must also request that a tax abatement district be established for the property depending on the public act governing the abatement.
- A project pro-forma.
- Official forms developed by the State of Michigan – if applicable – shall also be submitted in a timely manner per procedures set forth within the applicable abatement act under which the application is made.
- The applicant shall submit completed applications to the Village Clerk. An application will not be accepted if it is incomplete or if any required materials are not included.

Approval Process

The Village Clerk shall notify – by certified mail – each taxing jurisdiction of a request to establish an abatement district or application for the abatement. Said taxing jurisdiction shall have fifteen (15) days from the date of receipt of said notification to respond in writing with their thoughts and considerations. These taxing jurisdictions shall have no voting or veto authority.

The Village Clerk shall notify applicant by certified mail if the application is found consistent with this policy.

Procedures set forth within the abatement act shall be followed.

- The length of the exemption shall be determined by the attached abatement schedule.
- The approval for the abatement district and approval of an application for abatement shall not be addressed at the same meeting.

Required Agreements

Development Agreement

All projects granted tax abatement will be required to enter into a development agreement. The development agreement will be recorded against the property, will clearly define the responsibilities of the property owner(s) receiving the abatement, and will require annual reporting.

Annual Reporting Requirements

All projects granted tax abatement shall submit an annual status report. The requirement makes all abatements granted consistent with the State Tax Commission Administrative Rule 55(3). The report will include – but not be limited to – status of employment, wage level, real property project progress and

costs, aesthetic enhancement progress and costs as part of the project, number of employees living in the city, and other improvements and costs not listed within the scope of the project.

Rescission of Abatements

Imposition of any rescission is at the sole discretion of the Village of Blissfield and shall be considered on a case-by-case basis in compliance with the applicable act under review. Rescission shall not violate the statutory requirements of the applicable act in any way. Consideration may include but not be limited to:

- Sale or closure of the facility and departure of the company from the jurisdiction unless abatement is transferable.
- Significant change in the use of the facility and/or the business activities of the company not consistent with the requirement of the applicable act for which approved.
- Significant employment reductions not reflective of the company's normal business cycle and/or local and national economic condition.
- Failure to achieve the minimum number of net new jobs and wage level as specified in the abatement application.
- Failure to complete the project in a timely manner as specified in the approval resolution and/or the applicable act.
- Failure to comply with annual reporting requirements.
- Failure to pay annual property taxes timely on real property not exempt under the approved abatement.
- Failure to comply with the Village's ordinances and policies.